Amended and Restated Grant Agreement

(Mining and Gas Technical Assistance Project)

between

REPUBLIC OF MOZAMBIQUE

and

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as an administrator of the Mozambique Mining and Gas Technical Assistance Project Single-Donor Trust Fund)

Dated October 8, 2018
GRANT AGREEMENT

AGREEMENT dated October 8, 2018, entered into between REPUBLIC OF MOZAMBIQUE ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank") (acting as an administrator of the funds provided by the United Kingdom of Great Britain and Northern Ireland (through the Department for International Development) ("Donor") in respect of the Mozambique Mining and Gas Technical Assistance Project Single-Donor Trust Fund ("Trust Fund").

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions, Financing Agreement (including Appendix thereto), or in this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

Article III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to five million nine hundred eighty-nine thousand Pound Sterling (£5,989,000) ("Grant") to assist in financing the Project: (a) an amount not to exceed five million two hundred nine thousand Pound Sterling (£5,209,000) (Portion A of the
Grant); and (b) an amount not to exceed seven hundred eighty thousand (£780,000) (Portion B of the Grant).

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned Trust Fund for which the World Bank receives periodic contributions from the Donor to the Trust Fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donor under the abovementioned Trust Fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02(k) of the Standard Conditions consist of the following:

(a) as a result of an act or omission in the management or operations of the Recipient’s mining or hydrocarbon sectors, there has been, in the opinion of the World Bank, a failure on the part of the Recipient or any of its agencies or other competent authorities located in the Recipient’s territory, to: (i) apply sound social and environmental standards and practices; or (ii) uphold appropriate standards of good governance applicable to the sector, including accountability mechanisms and anti-corruption principles and practices prevalent at the local or national levels of said sector; and

(b) the Recipient or other agency or competent authority, as the case may be, has failed, within a sixty (60) day period after notice thereof has been given to it by the World Bank, to remedy such failure or take appropriate corrective measures.

Article V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is minister at the time responsible for economy and finance.
5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

Ministry of Economy and Finance
Praça da Marinha Popular
Maputo
Republic of Mozambique

Cable: MOBANCO
Telex: (258) 21 492-268
Facsimile: (258) 21 492-625
Maputo

5.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at _____________, ______________, as of the day and year first above written.

REPUBLIC OF MOZAMBIQUE

By: 

[Signature]

Authorized Representative

Name: Admarue Maleka

Title: Minister of Economy

Date: 23.10.2018

INTERNATIONAL DEVELOPMENT ASSOCIATION (acting as an administrator of the Mozambique Mining and Gas Technical Assistance Project Single-Donor Trust Fund)

By: 

[Signature]

Authorized Representative

Name: Mark Lundell

Title: Country Director

Date: October 8, 2018
SCHEDULE 1
Project Description

The objective of the Project is to strengthen the capacity and governance systems of key institutions to manage the mining and hydrocarbon sectors in Mozambique.

The Project consists of the following parts:

Part A: Mining Governance Capacity Building and Reform

Support second generation reforms in the Recipient's mines and minerals sector to optimize sector revenues and economic benefits, including through the following:

(i) Mining Cadastre: updating the cadastral procedures and integrating the mining cadastral database and GIS system with other systems and land use databases, including updating and building capacity of the central cadastre office in Maputo and provincial mining cadastre offices.

(ii) Mineral Assets Evaluation and Tendering: setting up detailed procedures for mineral assets assessments and tendering procedures, including criteria for selecting appropriate targets for tendering.

(iii) Improving Government's to Manage ASM: increasing formalization of the ASM sector, improving Recipient's capacity to provide services to ASM, including services to improve standards and efficiency of the ASM operations.

(iv) Capacity Building of Technical Departments of MIREME: reinforcing the MIREME's function of reviewing and reporting on activities by license holders and their compliance with the agreed work plans.

(v) Geodata Acquisition, Interpretation and Promotion: (a) carrying out of airborne geophysical and geochemical surveys of the selected strategic mineral resource rich areas, processing and interpretation of geophysical, geochemical and geological data, geomapping, upgrading of the Recipient's mineral information system, library, seismic stations, coreshed and geological and environmental laboratories; and (b) developing a methodology and codification for assessment of mineral reserves.

(vi) Reinforcing State Participation in Mining Concessions: defining EMEM's mandate and functions and building its capacity to assess and manage the risks associated with its participation in mining concessions in accordance with its mandate.

(vii) Transaction Advisory Services for Negotiations of Large-Scale Mining Operations and Related Infrastructure: provision of technical and legal advice to the Recipient's representatives through the review of feasibility studies
for mining and infrastructure development plans, and the drafting of mining and ancillary infrastructure development agreements.

**Part B: Natural Gas Capacity Building and Governance Reform**

Support to strengthen the capacity of the Recipient's major institutions engaged in development and governance of the gas sector to allow them to execute their mandates in a way that is conducive to investments while ensuring that safeguards and safety standards are met in accordance with international standards, including through the following:

(i) **Strengthening MIREME's Capacity to Support Governance Reform:**
   (a) assisting in the formulation and implementation of policy decisions, and in the preparation for investment decisions, to support the Recipient's vision for the development of its gas sector; (b) updating gas up-, mid- and down-stream policies; and (c) building MIREME's capacity for assessing and structuring potential PPP arrangements for gas infrastructure.

(ii) **Capacity Building and Governance Reform Support for the INP:** improving the INP's capacity to manage the core functions within its mandate, including:
   (a) equipping and building capacity in INP's office in the city of Pemba; (b) developing emergency procedures and a response notification system for INP; and (c) providing technical advisory services to review plans of development of gas and Liquefied Natural Gas.

(iii) **Capacity Building and Technical Support for ENH:** enhancing performance of ENH's principal function of managing the State participation in upstream developments.

(iv) **Transaction Advisory Services to INP and ENH for Negotiating Gas Operations and Related Infrastructure:** provision of technical, legal, economic and financial advice to the Recipient's representatives, including review of feasibility studies, productions plans, infrastructure development plans and drafting and reviewing of gas and ancillary infrastructure agreements.

**Part C: Cross-cutting Mining/Natural Gas Capacity Building and Reforms**

Support the Recipient's cross-cutting mining and gas reforms to: (a) strengthen the institutional and technical capacity of its agencies in revenue management, environmental and social management; and (b) improve social accountability of its civil society organizations, including through the following:

(i) **Legal and Regulatory Framework for Mining and Hydrocarbons:**
   (a) updating the mining law and related supporting mining regulations, as may be required from time to time during the implementation of the Project;
(h) drafting petroleum regulations and updating petroleum legislation as may be required from time to time during the implementation of the Project; and (c) preparing sector specific health and safety and environmental regulations and guidelines.

(ii) **Support to General Inspectorate, Health and Safety, and Regulatory Enforcement:** (a) developing operational standards and procedures for mine and petroleum projects' inspections and monitoring; (b) building staff capacity for regular monitoring and inspections using appropriate equipment; (c) strengthening the regulatory health and safety compliance enforcement mechanisms for efficient application of the mining and petroleum law and regulations; and (d) developing internal audit functions.

(iii) **Support to National Directorate of Planning and Development of MIREME, including:** (a) developing a communications and outreach strategy; and (b) building staff capacity and providing equipment for monitoring and evaluation of implementation of mining and petroleum legislation and policies, planning of concessions and activities by MIREME and its agencies.

(iv) **Strengthening and Establishment of Staff Positions, Capacity and Infrastructure in MIREME and its agencies, including through the:** (a) provision of transitional salary support for additional civil servant staff positions to be created in MIREME based on the outcomes of the MIREME's and INP's functional diagnosis; and (b) upgrading of information technology and physical infrastructure at MIREME's central and key provincial offices including in new agencies or departments to be established within MIREME for the purpose of this sub-paragraph during implementation of the Project.

(v) **Revenue Generation and Management:** implementation of the technical support plan for the Recipient's Ministério de Finanças and its revenue authority.

(vi) **Enhancing Environmental and Social Management of Mining and Natural Gas Industries through:** (a) carrying out and implementing SESA for mining and gas sectors; (b) updating relevant regulations that affect the sector, including involuntary resettlement; (c) increasing Recipient's capacity to manage EIAs and SIAs and to address disputes and grievances; (d) setting up robust monitoring systems for EIAs and SIAs; and (e) developing and implementing a gender focused strategy specific to mining.

(vii) **Support for Implementation of the EITI and Building Capacity of Civil Society Organizations by supporting the EITI Secretariat including through the:** (a) production of reports and publications to increase transparency; (b) carrying out of training and provision of targeted technical assistance to increase civil society and industry's understanding of the extractive
industries challenges and to inform their involvement in the governance of the extractive industries sector; and (c) supporting mainstreaming of transparency and reporting activities in the extractive sector.

(viii) Implement Pilot Projects in Extractives affected Areas. Carrying out pilot projects to mainstream MIREME's policy on corporate social responsibility in the extractive sector, support development of community-based agreements in the extractive sector and implement gender and social action programs in selected communities.

Part D: Cross-Sectoral Reforms

Support to strengthen the Recipient's capacity in integrating the mining and gas sector into its broader economy, including through the following:

(i) Strengthening the Recipient's Cross Sector Platform: provision of technical advisory services to enable it to make better informed decisions on integration of large mining and gas projects into its broader economy.

(ii) Strengthening Upward and Downward Economic Linkages of Mines and Gas Production: carrying out of studies, developing policies, and provision of transaction advisory services to optimize the economic value derived from development of natural resources by creating an environment in which the industry serves as a springboard for additional economic activities.

(iii) Framework for oil spill preparedness and response capacity. Support the design of preparedness plans and procedures for potential hydrocarbon spills in deep waters posing large operational and environmental risks, including building capacity of Recipient's relevant staff, coastal zone communities and civil society organizations active in the coastal areas, and provision of equipment to be in place in case of an emergency.

Part E: Project Management and Coordination

Support MIREME in managing and coordinating the Project and building its procurement, financial management, safeguards management, monitoring and evaluation capacity through the provision of technical advisory services, Training, acquisition of goods, and Operating Costs.
SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Project Steering Committee

The Recipient shall maintain at all times during the implementation of the Project the Project Steering Committee with composition, mandate and resources satisfactory to the World Bank, for the purpose of ensuring Project oversight and timely decision making, including being responsible for strategic guidance of Project implementation and coordination of the Project’s led initiatives and reforms.

B. Project Management Unit

The Recipient shall ensure that the Project Management Unit, established within MIREME, is maintained at all times during the implementation of the Project, with composition, mandate and resources satisfactory to the World Bank, for the purpose of ensuring prompt and efficient overall coordination, implementation and communication of Project activities, including being responsible for: (1) technical and fiduciary (financial management and procurement) elements of Project implementation; (2) ensuring compliance with environmental and social safeguards; (3) preparing and circulating periodic progress reports; and (4) monitoring and evaluation of Project activities.

C. Project Implementation Manual

1. The Recipient shall carry out the Project in accordance with the PIM in form and substance satisfactory to the World Bank, providing details of arrangements and procedures for the implementation of the Project, including: (a) capacity building activities for sustained achievement of the Project’s objective; (b) disbursement and financial management; (c) institutional administration, coordination and day-to-day execution of Project activities; (d) monitoring, evaluation, reporting (including mechanisms and formats for the preparation of Annual Work Plans and Budgets), information, and communication; (e) procurement; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; provided, however, that in case of any conflict between the provisions of the PIM and those of this Agreement, this Agreement shall prevail.

2. Except as the World Bank shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Project Implementation Manual if, in the
opinion of the World Bank, such amendment or waiver may materially and adversely affect the implementation of the Project.

D. Annual Work Plan and Budget

1. The Recipient shall prepare and furnish to the World Bank for review and approval, not later than March 31 in each Fiscal Year during the implementation of the Project, a proposed annual work plan and budget covering all activities proposed to be carried out under the Project in the forthcoming Fiscal Year.

2. Each such proposed annual work plan and budget shall specify among the activities, any training activities that may be required under the Project, including: (a) the type of training; (b) the purpose of the training; (c) the personnel to be trained; (d) the institution or individual who will conduct the training; (e) the location and duration of the training; (f) the cost of the training; and (g) the expected outcome and impact of the training.

3. The Recipient shall afford the World Bank a reasonable opportunity to exchange views with the Recipient on each such proposed annual work plan and budget, and thereafter to implement the Project or cause it to be implemented with due diligence in accordance with such annual work plan and budget as shall have been approved by the World Bank.

E. Transitional Support for Civil Service Staff Salaries

For purposes of providing transitional support under Part C(iv)(a) of the Project for the financing of salaries of selected civil service staff within MIREME, the Recipient shall: (1) prepare and furnish to the World Bank, an overall policy, in form and substance satisfactory to the World Bank, for the establishment of sustainable human resource capacity within MIREME; (2) prepare and furnish to the World Bank, an implementation and financing plan for each respective Fiscal Year in which such salaries are to be financed under the Project, in form and substance satisfactory to the World Bank, including details on the numbers, names, conditions of service, salaries and other benefits of MIREME civil service staff, proposed to benefit from transitional support under the Project, the proportion of the wage bill to be supported under the Project and other relevant information; (3) carry out Project activities in accordance with said policy and plans; and (4) not amend, abrogate or waive any provision of the said policy and plans without prior approval in writing by the World Bank.

F. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
G. Safeguards Instruments

1. For purposes of Part C(vi)(a) of the Project, the Recipient shall, not later than February 28, 2015, carry out a SESA of the Recipient’s mining and gas sector under terms of reference satisfactory to the World Bank, and on the basis of said assessment, the Recipient shall: (i) prepare and disclose an Action Plan that, inter alia, identifies such regulatory instruments, agreed with the World Bank, as may be necessary for the environmentally and socially sustainable management of the Recipient’s mining and gas sector; and (ii) adopt such Action Plan not later than 9 (nine) months after the completion of the SESA.

2. The Recipient shall ensure that the Project Reports referred to in Part A of Section II of this Schedule include adequate information on the status of preparation and implementation of the instruments referred to in paragraph 1 above.

3. The Recipient shall ensure that all terms of reference for any technical assistance, studies, and analytical work under the Project are consistent with the World Bank’s environmental and social safeguards.

H. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donor to visit any part of the Recipient’s territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than one (1) month after the end of the period covered by such report.

B. Mid-Term Review

1. Not later than thirty-five (35) months after the effectiveness of this Agreement, the Recipient shall undertake in conjunction with the World Bank and the Donor, and the implementing agencies, a comprehensive mid-term review of the Project
during which it shall exchange views with the World Bank and implementing agencies generally on all matters relating to the progress of the Project, the performance by the Recipient of its obligations under this Agreement and the performance by the implementing agencies, having regard to the performance indicators referred to in paragraph A immediately above.

2. Not later than one (1) month prior to the mid-term review, the Recipient shall furnish to the World Bank for comments, a report, in such detail as the World Bank shall reasonably request, on the progress of the Project, and giving details of the various matters to be discussed at such review.

3. Following the mid-term review, the Recipient shall act promptly and diligently in order to take any corrective action deemed necessary to remedy any shortcoming noted in the implementation of the Project, or to implement such other measures as may be required in furtherance of the objectives of the Project or otherwise agreed upon between the parties.

4. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

C. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07(b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-Consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or
referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants' Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods, Works and Non-Consulting Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-Consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods shall be used: (a) National Competitive Bidding, subject to provisions of paragraph 3 of this Part B; (b) Direct Contracting; and (c) Shopping.

3. **Additional Procedures for National Competitive Bidding (NCB)**

   (a) **General.** The procedures to be followed for NCB shall be those set forth in the Regulation, with the modifications described in the following paragraphs.

   (b) **Eligibility.** No restriction based on nationality of bidders and/or origin of goods shall apply. Foreign bidders shall be allowed to participate in NCB without restriction and shall not be subject to any unjustified requirement which will affect their ability to participate in the bidding process such as, but not limited to, the proof that they are not under bankruptcy proceedings in the Recipient’s territory, have a local representative, have an attorney resident and domiciled in the Recipient’s territory, and form a joint venture with a local firm. In cases of joint ventures, they shall confirm joint and several liability.
Prior registration, obtaining a license or agreement shall not be a requirement for any bidder to participate in the bidding process.

Recipient’s government-owned enterprises or institutions shall be eligible to participate in the bidding process only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not dependent agencies of the Recipient.

(c) Bidding Documents. Standard bidding documents acceptable to the World Bank shall be used for any procurement process under NCB.

(d) Preferences. No domestic preference shall be given for domestic bidders and/or for domestically manufactured goods.

(e) Applicable Procurement Method Under the Regulation. Subject to these NCB exceptions, procurement under NCB shall be carried out in accordance with the Regulation’s public competition (Concurso Público) method.

(f) Bid Preparation Time. Bidders shall be given at least twenty-eight (28) days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, to prepare and submit bids.

(g) Bid Opening. Bids shall be opened in public, immediately after the deadline for their submission in accordance with the procedures stated in the bidding documents.

(h) Bid Evaluation

(i) Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only such criteria so specified shall be used to determine whether a bidder is qualified; the evaluation of the bidder’s qualifications should be conducted separately from the technical and commercial evaluation of the bid. Qualification criteria shall be applied on a pass or fail basis.

(ii) Evaluation of bids shall be made in strict adherence to the criteria declared in the bidding documents; criteria other than price shall be quantified in monetary terms.

(iii) A contract shall be awarded to the qualified bidder offering the lowest-evaluated and substantially responsive bid.

(iv) Bidders shall not be eliminated on the basis of minor, non-substantial deviations.
(i) **Rejection of All Bids and Re-bidding.** All bids shall not be rejected and new bids solicited without the World Bank's prior concurrence.

(j) **Complaints by Bidders and Handling of Complaints.** The Recipient shall establish an effective and independent complaint mechanism allowing bidders to complain and to have their complaint handled in a timely manner.

(k) **Right to Inspect/Audit.** In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed from the proceeds of the Grant shall provide that: (i) the bidders, suppliers, and contractors and their subcontractors, agents, personnel, consultants, service providers or suppliers, shall permit the World Bank, at its request, to inspect their accounts, records and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the World Bank; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

(l) **Fraud and Corruption.** Each bidding document and contract financed from the proceeds of the Grant shall include provisions on matters pertaining to fraud and corruption as defined in paragraph 1.16(a) of the Procurement Guidelines. The World Bank may sanction a firm or individual, at any time, in accordance with prevailing World Bank sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a World Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier or service provider of an otherwise eligible firm being awarded a World Bank-financed contract.

(m) **Debarment under National System.** The World Bank may recognize, if requested by the Recipient, exclusion from participation as a result of debarment under the national system, provided that the debarment is for offenses involving fraud, corruption or similar misconduct, and further provided that the World Bank confirms that the particular debarment procedure afforded due process and the debarment decision is final.

C. **Particular Methods of Procurement of Consultants' Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used: (a) Selection based on Consultants’ Qualifications; (b) Least-Cost Selection; (c) Single-source Selection of consulting firms; (d) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (e) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the World Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the World Bank’s Prior Review. All other contracts shall be subject to Post Review by the World Bank.

**Section IV. Withdrawal of Grant Proceeds**

A. **General**

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of Portion A of the Grant Allocated (expressed in Pound Sterling)</th>
<th>Amount of Portion B of the Grant Allocated (expressed in Pound Sterling)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Works, non-consulting services, Goods, Consultants' Services, Training, Workshops and Study tours, and Operating Costs under Parts A(ii), C(iii), D(i), and D(ii) of the Project</td>
<td>5,209,000</td>
<td>780,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>5,209,000</td>
<td>780,000</td>
<td></td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made: (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed an amount of twenty thousand Pound Sterling (£20,000) may be made for payments made prior to this date but on or after September 13, 2013.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is September 30, 2020.

**Section V. Other Undertakings**

A. The Recipient undertakes to carry out the Project in accordance with internationally recognized standards and guidelines for extractive industries transparency, including those of the EITI.
APPENDIX

Definitions

1. "Action Plan" means the action plan to be prepared pursuant to Section I.G.1 of Schedule 2 to this Agreement.

2. "Annual Work Plan and Budget" means the annual work plan and budget referred to in Section I.D of Schedule 2 to this Agreement.


4. "ASM" means artisanal and small-scale mining.

5. "Category" means a category set forth in the table in Section IV.A of Schedule 2 to this Agreement.

6. "Co-financing" means an amount of thirty-two million six hundred thousand Special Drawing Rights (SDR 32,600,000) provided by the International Development Association to assist in financing the Project.


9. "EIAs" means environmental impact assessments.


12. "Financing Agreement" means the financing agreement dated April 19, 2013, signed between the Recipient and the International Development Association for the Co-financing.
13. "Fiscal Year" means the fiscal year of the Recipient commencing on January 1 and ending on December 31 of the same year.

14. "GIS" means geographical information system.


16. "Ministério de Finanças" means the Recipient’s ministry of finances, or any successor thereto.

17. "MIREME" and "Ministério dos Recursos Minerais e Energia" means the Recipient’s Ministry of Mineral Resources and Energy, or any successor thereto.

18. “Operating Costs” means the incremental expenses, which would not exist absent the Project, incurred on account of Project implementation and based on the Annual Work Plan and Budget approved by the World Bank pursuant to Section I.D of Schedule 2 to this Agreement, on account of office, salaries for incremental office support staff during Project implementation period, equipment and supplies, vehicle operation and maintenance, maintenance of equipment, communication and insurance costs, office administration costs, utilities, rental, consumables, accommodation, banking charges, advertising expenses, travel and per diem, but excluding the salaries of the Recipient's civil servants other than those provided under Part C(iv)(a) of the Project described in Schedule 1 to this Agreement.


21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated November 13, 2013, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

22. “Project Implementation Manual” means the Project Implementation Manual dated July 7, 2013 referred to in Section I.C of Schedule 2 to this Agreement as such Project Implementation Manual may be amended from time to time.

23. “Project Management Unit” means the term referred to in Section I.B of Schedule 2 to this Agreement.
24. "Project Steering Committee" means the term referred to in Section I.A. of Schedule 2 to this Agreement.


26. "SESA" and "Strategic Environmental and Social Assessment" mean the assessment to be carried out by the Recipient under Part C(iv)(a) of the Project in accordance with the provisions of Section I.G of Schedule 2 to this Agreement.

27. "SIAs" means social impact assessments.

28. "Training, Workshops and Study Tours" means the costs associated with the training, workshop and study tour participation of personnel involved in Project activities, as specified in the Annual Work Plan and Budget approved by the World Bank pursuant to Section I.C of Schedule 2 to this Agreement, for reasonable expenditures (other than expenditures for consultants’ services), including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, and other costs directly related to training course, workshop or study tour preparation and implementation.